

Message Text

CONFIDENTIAL

PAGE 01 OECD P 05874 01 OF 02 072146Z

67

ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 EB-11 AEC-11 AID-20 CEA-02

CIAE-00 CIEP-02 COME-00 DODE-00 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 SSO-00

NSCE-00 INRE-00 USIE-00 PA-04 PRS-01 DRC-01 /170 W

----- 025713

O 072049Z MAR 74

FM USMISSION OECD PARIS

TO SECSTATE WASHDC IMMEDIATE 2020

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY THE HAGUE IMMEDIATE

AMEMBASSY OSLO IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY COPENHAGEN IMMEDIATE

AMEMBASSY DUBLIN IMMEDIATE

AMEMBASSY LUXEMBOURG IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

USMISSION EC BRUSSELS IMMEDIATE UNN

C O N F I D E N T I A L SECTION 1 OF 2 USOECD PARIS 5874

E.O. 11652: GDS

TAGS: ENRG, OECD

SUBJECT: ENERGY: TERMS OF REFERENCE FOR ENERGY COORDINATING

GROUP ACTIVITIES SLATED FOR OECD'S HIGH-LEVEL OIL

GROUP

1. SUMMARY. THIS MESSAGE TRANSMITS REVISED TERMS OF
REFERENCE FOR ECG 2, 3 AND 4, WHICH WILL BE INTRODUCED
INTO HIGH-LEVEL GROUP OF OECD OIL COMMITTEE. ACTION
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OECD P 05874 01 OF 02 072146Z

REQUESTED: EMBASSIES IN ECG CAPITALS ARE REQUESTED TO

ENSURE THAT REVISED TERMS OF REFERENCE HAVE BEEN RECEIVED BY APPROPRIATE OFFICIALS IN THEIR HOST GOVERNMENTS AND TO CLARIFY IN LIGHT OF THIS TELEGRAM ANY QUESTIONS THAT MAY ARISE ON BRACKETED LANGUAGE.
END SUMMARY

2. THE REVISED TERMS OF REFERENCE FOR ECG 2, 3, AND 4, ANNEXED TO THIS TELEGRAM, WERE DISTRIBUTED TO OECD PERMANENT DELEGATIONS OF THE MEMBERS OF THE ENERGY COORDINATING GROUP AT MEETING IN BENELUX DELEGATION HEADQUARTERS ON MARCH 7TH. THESE DELEGATIONS WERE INFORMED BY A. KATZ, ON BEHALF OF UNDER SECRETARY DONALDSON AND CHAIRMAN OCKRENT, OF SCENARIO WHICH HAD BEEN WORKED OUT IN DISCUSSIONS THE PREVIOUS DAY (REPORTED SEPTTEL) AMONG UNDER SECRETARY, OCKRENT, SECGEN VAN LENNEP AND WANSINK (CHAIRMAN OF THE OECD OIL COMMITTEE AND ITS HIGH-LEVEL GROUP).

3. EACH ECG - OECD DELEGATION AGREED TO TRANSMIT REVISED TERMS OF REFERENCE TELEGRAPHICALLY TO ITS CAPITAL WITH REQUEST THAT IF ANY COUNTRY HAS A MAJOR DIFFICULTY WITH TEXT IT COMMUNICATE THIS TO BELGIAN AND AMERICAN DELEGATIONS TO OECD AT LATEST BY MORNING OF MONDAY, MARCH 11. HE CLEARLY INDICATED OCKRENT AND DONALDSON WERE NOT SOLICITING FURTHER DRAFTING COMMENTS BUT WERE WILLING TO TRY TO ACCOMMODATE SERIOUS PROBLEMS AT LAST MINUTE. IN INTRODUCING TERMS OF REFERENCE, KATZ STATED THAT EFFORT HAD BEEN MADE TO ACCOMMODATE ALL COMMENTS RECEIVED, ESPECIALLY THOSE SUGGESTING BROADENING OF WORK, AND THAT HE HOPED ALL COULD AGREE AS IT WAS IMPORTANT TO PROCEED ON BASIS OF ECG-AGREED TEXTS FOR TERMS OF REFERENCE IN HLG AND OIL COMMITTEE.

4. KATZ NOTED THAT BRACKETING OF ONE POINT IN TERMS OF REFERENCE ECG/2, REV. 1 FOR CONSERVING ENERGY AND RESTRAINING DEMAND WAS BASICALLY IN RESPONSE TO A CANADIAN GOVERNMENT COMMENT URGING REMOVAL OF THIS POINT ON THE GROUNDS OF REDUNDANCE WITH LAST PARAGRAPH IN THAT DOCUMENT. HE MADE STRONG PLEA TO CANADIAN CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 05874 01 OF 02 072146Z

GOVERNMENT THROUGH ITS OECD DELEGATION TO AGREE TO REMOVAL OF BRACKETS, POINTING OUT THAT LAST PARA WAS MORE GENERAL AND APPLIED TO ALL OF LANGUAGE ABOVE AND ALSO STRESSING THE POLITICAL IMPORTANCE OF TRYING TO WORK OUT SOME MEANINGFUL INTERNATIONAL UNDERSTANDINGS ON SHARING THE BURDEN IN THIS AREA. HE POINTED OUT TEXT OF PARA CANADIANS WANTED REMOVED WAS FLEXIBLE AND DID NOT BIND ANYONE.

5. WITH RESPECT TO TERMS OF REFERENCE ON OIL SHARING, KATZ REQUESTED CANADIAN GOVERNMENT TO WITHDRAW PROPOSAL FOR BRACKETED WORDS "OR A SUITABLE ALTERNATIVE ARRANGEMENT" SUGGESTING THEY INTRODUCED UNNECESSARY COMPLICATION AND APPEARED DEFEATIST AT PRESENT STAGE. LANGUAGE OF TERMS OF REFERENCE DID NOT PRECLUDE STUDY OF ALTERNATIVE ARRANGEMENT BUT MINISTERS CLEARLY CONTEMPLATED SEARCH FOR SHARING AGREEMENT. JAPANESE DELEGATION AGREED TO SEEK FROM ITS CAPITAL AGREEMENT TO DROP BRACKETED LANGUAGE ON PRICE, WHICH REFLECTS JAPANESE SUGGESTION, ON UNDERSTANDING THIS WAS SOMETHING THAT WOULD BE DISCUSSED LATER WHEN SHARING AGREEMENT TAKEN UP IN COORDINATING GROUP. KATZ STATED FINALLY THAT BRACKETED PARA ON COORDINATING GROUP CONSIDERATION OF OIL SHARING WOULD BE DROPPED FROM TERMS OF REFERENCE BEFORE SUBMISSION TO HLG BECAUSE MENTION OF ECG NOT APPROPRIATE IN HLG FRAMEWORK; IT SHOULD BE RECOGNIZED HE SAID, IN RESPONSE TO BRITISH AND OTHER POSITIONS, THAT WORK OF HLG ON SHARING WOULD HAVE TO BE CONSIDERED BY ECG AND COORDINATING GROUP WILL HAVE TO MAKE FINAL RECOMMENDATIONS TO GOVERNMENTS ON BASIS OF NARROWED OPTIONS PAPER TO BE PRODUCED BY HLG. US WOULD ONLY CONSIDER SUCH RECOMMENDATIONS IN COORDINATING GROUP IN LIGHT OF OTHER ELEMENTS OF COOPERATION PACKAGE.

6. TEXTS OF REVISED TERMS OF REFERENCE FOLLOW:

(BEGIN LIMITED OFFICIAL USE)

TERMS OF REFERENCE FOR
CONSERVING ENERGY AND RESTRAINING DEMAND
ECG/2, REV. 1

THE POTENTIAL FOR INTERNATIONAL COOPERATION TO CON-
SERVE ENERGY AND RESTRAIN DEMAND SHOULD BE EXAMINED WITH
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 OECD P 05874 01 OF 02 072146Z

A VIEW TO RELIEVING CONS
E E E E E E E

ADP000
CONFIDENTIAL

PAGE 01 OECD P 05874 02 OF 02 072201Z

67
ACTION EUR-25

INFO OCT-01 EA-11 ISO-00 AEC-11 AID-20 CEA-02 CIAE-00

CIEP-02 COME-00 DODE-00 EB-11 FEA-02 FPC-01 H-03

INR-10 INT-08 L-03 NSAE-00 NSC-07 OMB-01 PM-07 RSC-01

SAM-01 SCI-06 SPC-03 SS-20 STR-08 TRSE-00 SSO-00

NSCE-00 INRE-00 USIE-00 PA-04 PRS-01 DRC-01 /170 W

----- 025761

O 072049Z MAR 74

FM USMISSION OECD PARIS

TO SECSTATE WASHDC IMMEDIATE 2021

AMEMBASSY OTTAWA IMMEDIATE

AMEMBASSY PARIS IMMEDIATE

AMEMBASSY BONN IMMEDIATE

AMEMBASSY ROME IMMEDIATE

AMEMBASSY TOKYO IMMEDIATE

AMEMBASSY THE HAGUE IMMEDIATE

AMEMBASSY OSLO IMMEDIATE

AMEMBASSY LONDON IMMEDIATE

AMEMBASSY COPENHAGEN IMMEDIATE

AMEMBASSY DUBLIN IMMEDIATE

AMEMBASSY LUXEMBOURG IMMEDIATE

AMEMBASSY BRUSSELS IMMEDIATE

USMISSION EC BRUSSELS IMMEDIATE UNN

C O N F I D E N T I A L SECTION 2 OF 2 USOECD PARIS 5874

-- DEVELOP OPERATIONAL CONCEPTS BY WHICH THESE MEASURES COULD BE IMPLEMENTED IN THE DIFFERENT COUNTRIES, TAKING INTO CONSIDERATION DIFFERING CONDITIONS IN EACH COUNTRY, INCLUDING DIFFERING JURISDICTIONAL REQUIREMENTS,

--DEVELOP INsofar AS PRACTICABLE CRITERIA FOR MEASURING RELATIVE PROGRESS IN NATIONAL PROGRAMS FOR PROMOTING CONSERVATION THROUGH IMPROVED EFFICIENCY,

--DEVELOP INsofar AS PRACTICABLE CRITERIA FOR EVALUATION

CONFIDENTIAL

PAGE 02 OECD P 05874 02 OF 02 072201Z

TING THE RELATIVE EFFORTS AND SACRIFICE INVOLVED IN NATIONAL PROGRAMS OF DEMAND RESTRAINT,

(--FORMULATE INsofar AS PRACTICABLE SPECIFIC UNDERSTANDINGS OF CONSERVATION AND DEMAND RESTRAINT OR CONTROL OF ENERGY DEMAND FOR REFERENCE TO GOVERNMENTS ALONG WITH APPROPRIATE CONTROL AND FOLLOW-UP METHODS).

THE EXAMINATION SHOULD RESULT IN RECOMMENDATIONS ON OBJECTIVES AND MEANS FOR A COOPERATIVE PROGRAM OF CONSERVATION AND DEMAND RESTRAINT CONSISTENT WITH AN ACTIVE WORLD ECONOMY.

TERMS OF REFERENCE FOR

RESOURCES

ECG/E, REV. 1

AS AGREED IN THE FEBRUARY 13 COMMUNIQUE, ONE OF THE GOALS OF THE ACTION PROGRAM OF INTERNATIONAL COOPERATION

IS THE "ACCELERATION OF DEVELOPMENT OF ADDITIONAL ENERGY SOURCES SO AS TO DIVERSIFY ENERGY SUPPLIES". IN ORDER TO EXPAND SUPPLY IN THE SHORT RUN, THIS EFFORT MUST FOCUS ON THE EXPLORATION AND DEVELOPMENT OF SUCH RESOURCES AS COAL, SHALE, NATURAL GAS, AND OIL IN THE CONTINENTAL SHELVES WHICH CAN BE MADE AVAILABLE THROUGH EXISTING TECHNOLOGY BUT HAVE BEEN NEGLECTED IN THE PERIOD OF LOW-COST OIL.

THE MAJOR THRUST OF OUR EFFORTS SHOULD BE TO DEVISE EFFECTIVE INTERNATIONAL MEANS OF INFLUENCING PUBLIC POLICY SO AS TO CREATE A CLIMATE IN WHICH THE EXPLORATION AND DEVELOPMENT OF CONVENTIONAL ENERGY SOURCES WILL BE ENCOURAGED AND FACILITATED TO MEET THE GROWTH OF WORLD DEMAND.

WITH THESE GOALS IN MIND, THE FOLLOWING ITEMS SHOULD BE INCLUDED IN THE WORLD PROGRAM UNDER THIS TOPIC:

--EACH COUNTRY SHOULD SURVEY THE POSSIBILITIES FOR RESOURCE DEVELOPMENT WHICH MIGHT BE EXPECTED AT DIFFERENT PRICE RANGES AND TIME SCALES AND AN INTERNATIONAL REPORT ON THE EXISTING ACTIVITIES AND POSSIBILITIES FOR ACCELERATED DEVELOPMENT SHOULD BE PREPARED, INCLUDING AN EXAMINATION OF ENVIRONMENTAL CONSIDERATIONS AND OTHER CONSTRAINTS;

--A MECHANISM SHOULD BE ESTABLISHED FOR PERIODIC EXAMINATION OF POLICIES AND PRACTICES AFFECTING THE DEVELOPMENT OF ADDITIONAL CONVENTIONAL ENERGY RESOURCES,

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OECD P 05874 02 OF 02 072201Z

INCLUDING SUCH SUPPLEMENTARY MEASURES AS INSURANCE OF INVESTMENTS AGAINST THE RISK OF PRICE REDUCTIONS FOR COMPETITIVE ENERGY SOURCES.

THE EXAMINATION OF EFFORTS IN THIS FIELD SHOULD RESULT IN RECOMMENDATIONS ON SPECIFIC NATIONAL MEASURES AND ON OBJECTIVES AND MEANS FOR A COOPERATIVE PROGRAM OF ACCELERATED DEVELOPMENT OF CONVENTIONAL ENERGY RESOURCES, ESPECIALLY IN THE IMPLEMENTATION OF PROJECTS WITH HIGH COST AND REQUIRING THE DEVELOPMENT AND APPLICATION OF NEW TECHNOLOGIES. INTERNATIONAL CONSIDERATION SHOULD BE GIVEN TO WHETHER THERE IS SCOPE AND NEED FOR A MUTUAL FINANCIAL EFFORT TO ACCELERATE THE DESIRED DEVELOPMENT OF CONVENTIONAL ENERGY RESOURCES.

TERMS OF REFERENCE FOR

OIL SHARING ECG/4, REV. 1

AGREEMENT WAS REACHED TO COOPERATE IN ESTABLISHING A SYSTEM OF ALLOCATING OIL SUPPLIES IN TIMES OF EMERGENCY AND SEVERE SHORTAGES, BUILDING ON WORK ACCOMPLISHED IN THE OECD. A DRAFT REPORT ON THE OECD-WIDE APPORTIONMENT SCHEME HAS BEEN COMPLETED AND WAS TABLED IN LATE 1973 FOR DISCUSSION BY THE HIGH-LEVEL GROUP OF THE OIL COMMITTEE. DISCUSSION OF A POSSIBLE OIL SHARING AGREEMENT (OR A SUITABLE ALTERNATIVE ARRANGEMENT), IN WHICH

OPPORTUNITY FOR NON-OECD COUNTRIES TO PARTICIPATE WOULD
BE PROVIDED, SHOULD CONTINUE IN THE OECD HIGH-LEVEL
GROUP AS A MATTER OF URGENCY. THE OPTIONS FOR POLICY
DECISIONS SHOULD BE NARROWED WITH RESPECT TO

--A SHARING FORMULA FOR OIL SUPPLIES COVERING DOMESTIC
PRODUCTION AS WELL AS IMPORTS OF ALL THE MAJOR OECD
COUNTRIES

--CLEAR AND OBJECTIVE CRITERIA TO DETERMINE WHEN A
SUPPLY SHORTAGE EXISTS

--A RELIABLE MECHANISM TO IMPLEMENT AND TERMINATE THE
SHARING ARRANGEMENT.

(THE QUESTION OF PRICE SHOULD ALSO BE CONSIDERED
IN RELATION TO OIL SHARING).

(THE COORDINATION GROUP WILL CONSIDER THIS MATTER
WHEN THE WORK OF THE HIGH-LEVEL GROUP HAS BEEN SUFFI-
CIENTLY REFINED WITH A VIEW TO MAKING DEFINITIVE RECOM-
MENDATIONS TO GOVERNMENTS). (END LIMITED OFFICIAL USE)

BROWN

CONFIDENTIAL

CONFIDENTIAL

PAGE 04 OECD P 05874 02 OF 02 072201Z

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, COMMITTEE MEETINGS, MEETING DELEGATIONS
Control Number: n/a
Copy: SINGLE
Draft Date: 07 MAR 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OECDP05874
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: n/a
From: OECD PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740361/aaaacemj.tel
Line Count: 300
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 28 MAR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <28 MAR 2002 by collinp0>; APPROVED <04 JUN 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: TERMS OF REFERENCE FOR ENERGY COORDINATING GROUP ACTIVITIES SLATED FOR OECD'S HIGH-LEVEL OIL
TAGS: ENRG, XT, BE, NL, LU, OECD
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005